

GOED Board Meeting Minutes

May 8, 2014 • 10:00 a.m.

Governor's Office of Economic Development

60 E. South Temple, Third Floor

Members Present:	Mel Lavitt, Jerry Oldroyd, Jake Boyer, Winston Wilkinson, Cliff White, Lorena Rizzo-Jensen, Sam Granato, Josh Romney, Margo Jacobs
Staff:	Christopher M. Conabee, Spencer P. Eccles, Sophia DiCaro, Eric Nay, Jenni Osman, Jeff Van Hulten, Kevin Shields, Roxanne Graham, Fred Lange, Ron Andrus, Vatsala Kaul, Tamy Dayley, Mindy Vail, Michael Sullivan
Visitors:	Marshall Moore, Mimi Davis-Taylor, Brad Baird, Todd Brightwell, Bryce Wallace, Scott Hickes, Tim Wallace, Tom Brough

Welcome

Mel Lavitt welcomed everyone to the May 8, 2014 Board meeting.

Approval of the Minutes

MOTION: Margo Jacobs moved to approve the April 10, 2014 minutes. Winston Wilkinson seconded the motion. Motion was carried unanimously.

ED Zones –**Cabelas**

ESTABLISH AN ECONOMIC DEVELOPMENT ZONE FOR THE PURPOSE OF SUPPORTING THE RECRUITING OF CABELAS WITHIN TOOELE CITY AT 3226 SHEEP LANE, TOOELE UTAH 84074 AND 280 NORTH INDUSTRIAL LOOP ROAD TOOELE UT 84074.

MOTION: APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR TOOELE CITY IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE RECRUITMENT OF CABELAS WITHIN TOOELE CITY AT 3226 SHEEP LANE, TOOELE UTAH 84074 AND 280 NORTH INDUSTRIAL LOOP ROAD TOOELE UT 84074.

Otto Bock

ESTABLISH AN ECONOMIC DEVELOPMENT ZONE FOR THE PURPOSE OF SUPPORTING THE EXPANSION OF OTTO BOCK WITHIN SALT LAKE COUNTY AT 3820 GREAT LAKES DR., SALT LAKE CITY UTAH 84120 AND 1130 WEST 3800 SOUTH, SALT LAKE CITY UTAH 84119.

MOTION: APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR SALT LAKE COUNTY IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING EXPANSION OF OTTO BOCK WITHIN SALT LAKE COUNTY AT 3820 GREAT LAKES DR., SALT LAKE CITY UTAH 84120 AND 1130 WEST 3800 SOUTH, SALT LAKE CITY UTAH 84119.

School Improvement Network

ESTABLISH AN ECONOMIC DEVELOPMENT ZONE FOR THE PURPOSE OF SUPPORTING THE ESTABLISHMENT OF SCHOOL IMPROVEMENT NETWORK WITHIN SALT LAKE CITY AT 669 S. WEST TEMPLE, SALT LAKE CITY, UT 84101

MOTION: APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR SALT LAKE CITY IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE ESTABLISHMENT OF SCHOOL IMPROVEMENT NETWORK WITHIN SALT LAKE CITY AT 669 S. WEST TEMPLE, SALT LAKE CITY, UT 84101

eBay

ESTABLISH AN ECONOMIC DEVELOPMENT ZONE FOR THE PURPOSE OF SUPPORTING THE EXPANSION OF EBAY WITHIN DRAPER CITY AT 173 WEST ELECTION ROAD DRAPER, UT 84020.

MOTION: APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR DRAPER CITY IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE EXPANSION OF EBAY WITHIN DRAPER CITY AT 173 WEST ELECTION ROAD DRAPER, UT 84020.

Houwelingen

ESTABLISH AN ECONOMIC DEVELOPMENT ZONE FOR THE PURPOSE OF SUPPORTING THE ESTABLISHMENT OF HOUWELINGS TOMATOES WITHIN JUAB COUNTY AT 1935 WEST 300 NORTH, MONA, UT 84645.

MOTION: APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR JUAB COUNTY IN SUPPORT OF THEIR LETTER

OF REQUEST DETAILING THE ESTABLISHMENT OF HOUWELINGS TOMATOES WITHIN JUAB COUNTY AT 1935 WEST 300 NORTH, MONA, UT 84645.

Lin Manufacturing

ESTABLISH AN ECONOMIC DEVELOPMENT ZONE FOR THE PURPOSE OF SUPPORTING THE EXPANSION OF LIN MANUFACTURING WITHIN NORTH LOGAN CITY AT 2680 NORTH 200 WEST AND 2929 NORTH MAIN, NORTH LOGAN, UT 84341.

MOTION: APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR NORTH LOGAN CITY IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE EXPANSION OF LIN MANUFACTURING WITHIN NORTH LOGAN CITY AT 2680 NORTH 200 WEST AND 2929 NORTH MAIN, NORTH LOGAN, UT 84341.

Allstate

ESTABLISH AN ECONOMIC DEVELOPMENT ZONE FOR THE PURPOSE OF SUPPORTING THE ESTABLISHMENT OF ALLSTATE WITHIN OGDEN CITY AT 1010 DEPOT DRIVE OGDEN, UTAH 84404.

MOTION: APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR OGDEN CITY IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE ESTABLISHMENT OF ALLSTATE WITHIN OGDEN CITY AT 1010 DEPOT DRIVE OGDEN, UTAH 84404.

All of the ED Zones were moved for approval by Jerry Oldroyd. Sam Granato seconded the motions. Motions were carried unanimously.

EDTIF – Airgas

Project Highlights

Timeline:	2014
Target Industry:	Manufacturing
Proposed Location(s):	Tooele County
Capital Investment:	\$8,000,000

Jobs & Revenue

Full time job over project lifetime: 25

The company will provide full time employees with comprehensive health and retirement benefits.

New State Wages & Revenue:

New State Wages over 10 years: \$11,972,589

New State Revenue over 10 years: \$546,818

Local Incentive

Tooele City has offered the company a significant incentive and has been working with the company for over 2 years on locating a gas manufacturing facility in the former UID center.

Proposed State Incentive:

Total amount of EDTIF, post-performance refundable tax credit:	\$106,652
The amount represents the following percentage of new state revenues:	20%
Number of years that incentive is approved for:	10 years

Company Overview

Manufacturer and distributor of specialty and blended gases for use in various industrial, government, research, medical and construction applications.

MOTION: Jerry Oldroyd moved to approve Airgas for a \$106,652 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 10 years. Cliff White seconded the motion.

- Incentives provided post-performance upon review and verification by GOED.
- Total EDTIF incentive not to exceed \$106,652 EDTIF post-performance refundable tax credit.
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year.

- **Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 100 % of the Tooele County average wage each including company contributed health insurance.**
- **Must commit to keep operation in Utah for the length of the incentive period, 10 years.**
- **Subject to local incentive.**

Scott Hicks, representative from Airgas gave a brief background on the company and their products. He thanked the GOED Board and staff for their support in this project. The main reason that they settled on Utah is due to the location, with the cost of freight costs rising they needed to be closer to their facility. Their main competitors in the market are Praxair, Lindy and Matheson. Brad Baird spoke about the importance of this project to Tooele County; there are a lot of people needing jobs since the chemical burn plant closed so finding workforce will not be a problem.

RFT

“Nemo’s Drive Thru”

The Rural Development office recommends a Rural Fast Track grant for High Desert Strategies, LLC dba Nemo’s Drive-Thru, located in Panguitch, Garfield County, for the purpose of purchasing equipment and signage to bring the restaurant up to code and to attract and accommodate more clientele. The project is estimated to create one full time job and to cost four thousand, nine hundred twenty-four dollars (\$4,924.00).

MOTION: Endorse the Rural Fast Track Grant for Nemo’s Drive-Thru of \$2,259.

“Wayne and Garfield County Insider”

The Rural Development office recommends a Rural Fast Track grant for Snapshot Multimedia dba Wayne And Garfield County Insider, located in Escalante, Garfield County, for the purpose of constructing a building in downtown Escalante to facilitate an expanding workforce and distribution. The project is estimated to create one FTE, expand hours of 2 PTEs, and hire an additional 2 PTEs. The project will cost approximately one hundred sixty, three hundred sixty-five dollars (\$160,365.00).

MOTION: Endorse the Rural Fast Track Grant for the Wayne And Garfield County Insider of \$50,000.

“Stone Canyon Inn, Inc.”

The Rural Development office recommends a Rural Fast Track grant for STONE CANYON INN, INC., located in Tropic, Garfield County, for the purpose of converting a building on their property into an upscale restaurant. The project is estimated to create 4 full time and 15 part time jobs. The project is estimated to cost forty-six thousand, nine hundred ninety-eight dollars (\$46,998.00).

MOTION: Endorse the Rural Fast Track Grant for STONE CANYON INN, INC of \$20,000.

All of the Rural Fast Track Grants were moved for approval by Margo Jacobs. Sam Granato seconded the motions. Motions were carried unanimously.

MPAC

“16 Stones”

Project Highlights

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| • Category: | Feature Film |
| • Genre: | Drama |
| • Director | Brian Brough |
| • Producers: | Gregory K. Brough, Elisa Brough, Brittany Wiscombe, Anthony Straga |

Utah Jobs and Revenue

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|------------------------------------|----------------|
| • Estimated Cast: | 20 |
| • Estimated Cast Average Salary: | \$250/ per day |
| • Estimated Crew: | 24 |
| • Estimated Crew Average Salary: | \$275/ per day |
| • Estimated Extras: | 80 |
| • Estimated Extras Average Salary: | \$75 per day |
| • Length of Film Production: | 14 days |

- Estimated Spend: \$335,042

Project Schedule

- Prep: April 15, 2014 through May 16, 2014
- Principal Photography: May 17, 2014 through June 1, 2014
- Wrap/Post Production: June 2, 2014 through September 30, 2014

Motion Picture Advisory Committee Recommendation
Approved by the Utah Film Commission May 1st, 2014

MOTION: Jake Boyer moved to approve Silver Peak Productions, LLC a Motion Picture Incentive Program post-performance tax credit up to \$67,008 (which represents 20% of dollars left in state) for the production of “16 Stones.” Lorena Riffo-Jensen seconded the motion. Motion carried unanimously.

- **Incentive offer based on receipt of a complete MPIP application including a script and proof of financing**
- **Must meet \$200,000 minimum dollars left in state to be eligible for the incentive**
- **At least 85% of the production’s cast/crew must be Utah residents and/or Utah students.**

Presentation from Lori Feld

Lori Feld the President of MRM West gave a brief presentation on a Global Brand Project that McCann is working on with the State. The Governor’s vision for Utah is to be the best performing economy and be recognized as a global business destination. MRM West is trying to brand this message by attracting more technological businesses, talent and tourist to Utah. They are also trying to increase traction by increasing the adoption of the brand to fuel momentum. There are four phases in this process:

Part 1 – Brand Research and Development
Part 2 – Brand Campaign Creative Development
Part 3 – Engagement Strategy Development
Part 4 – Creative Rollout

They also plan to audit existing research to identify gaps, opportunities and how to prevent costly and wasteful duplication. They will need to conduct new research to gain insight into IT prospects’ decision-making triggers, sources/influencers, and the perception/reality gaps.

Presentation from Jeff Hudson

Jeff Hudson the CEO of Venafi gave a two part presentation to the board. The first part talked about the history of web security and where attacks have been successful in the past. Jeff discussed the various methods hackers have used to gain access to private information online and how security companies have successfully stopped them. Jeff then talked about his company and how they were protecting the future of online security by preventing malicious attacks on security keys and certificates. The second half of Jeff’s presentation was centered on how Utah can better attract top software companies and executives. Jeff’s plan consisted of 5 D’s; Diversity, Density, Downtown, Dissent and Divide.

Presentation from Susan Eisenman

Susan Eisenman, Assistant Attorney General for the State of Utah, introduced herself to the board and presented her 5 part training module program. In each board meeting a module will be presented to the board by Susan. The modules cover a variety of topics such as; the responsibilities of being a board member, ethics, procurement codes and other pertinent information. Susan’s fellow assistant then gave a presentation on the differences between an open and closed board meeting. She discussed that the Board is required to have meetings that are open to the public and all topics discussed in those meetings must be public knowledge. She went over the Utah statutes that require open meetings and the legal ramifications of breaking the statutes. The assistant explained to the Board when they are allowed to close a meeting, how they close the meeting and what they are legally allowed to discuss in a closed meeting. Closed meeting are only to be held for special circumstances and the board members must only discuss the material that they originally closed the meeting for. Susan has drawn up templates for the board to use if they decide to close a meeting.

GOED Update

Christopher M. Conabee, Managing Director

Christopher M. Conabee discussed the Syberjet ground breaking that he attended last week which GOED incented and has become a large success. Morgan Freeman attended the ground breaking as well as he announced that he was going to purchase the next two aircrafts that are going to be built. He also discussed the project that was incented today, Airgas which is going to be placed in rural Utah.

Incentives Update

Christopher M. Conabee, Incentives Manager gave an update on the Incentives Program regarding new and existing projects.

EDCU Update

Todd Brightell, Vice President of EDCUtah, presented on the status of current and upcoming projects in the pipeline. He spoke on the increase of the number of projects that EDCU is seeing in all industries.

Meeting adjourned.